Supreme Court, U.S.
FILED
MAY 5 1971
E. ROBERT SEAVER, CLERK

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1547

GENERAL RADIO COMPANY,

Petitioner-Plaintiff,

v.

KEPCO, INC.,

Respondent-Defendant.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF OF RESPONDENT IN OPPOSITION

JOSEPH R. MCPHEE, JR.,
Attorney for Respondent-Defendant,
142 Cherry Valley Avenue,
Garden City, N. Y.

Of Counsel:

ANDREW PERL,
342 Madison Avenue,
New York, N. Y. 10017.

TABLE OF CONTENTS

	PAGE
INTRODUCTION	1
PETITIONER'S "QUESTIONS"	2
PETITIONER'S "STATEMENT OF THE CASE"	3
DISCUSSION OF PETITIONER'S "QUESTIONS"	4
CONCLUSION	8

Cases Cited

Bassick Mfg. Co. v. R. M. Hollingshead Co., 298 U.S. 425	2
Deep Welding Co. v. Sciaky, 417 F.2d 1227 (7th Cir. 1969) Cert. den. 397 U.S. 1037	6
Graham v. John Deere Co., 383 U.S. 1 (1966)	2, 4, 5, 7, 8
Great Atlantic and Pacific Tea Co. v. Supermarket Equipment Corp., 340 U.S. 147 (1950)	7
Keller v. Adams-Campbell Co., 264 U.S. 314	2
Layne & Bowler Corp. v. Western Well Works, 261 U.S. 387	2
Wabash Corp. v. Ross Electric Corp., 187 F.2d 577 (1951)	6

Statute Cited

35 U.S.C. 103	5, 7

Rule Cited

Rule 52 (a) FRCP	3, 8

IN THE

Supreme Court of the United States

OCTOBER TERM, 1970

No. 1547

GENERAL RADIO COMPANY,

Petitioner-Plaintiff,

v.

KEPCO, INC.,

Respondent-Defendant.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Second Circuit

BRIEF OF RESPONDENT IN OPPOSITION

Introduction

This case arises out of a simple patent infringement action. The District Court held that the patent in suit was non-obvious and constituted invention and found infringement (Petition Appendix pp. 7a-48a). The Court of Appeals, in reversing, concluded that the patent was invalid "for any material in the patent in suit would be fully obvious to one skilled in the art familiar with Hoag" (Petition Appendix p. 5a). A petition for a rehearing *en banc* and for a rehearing was denied (Petition Appendix p. 6a). Respondent submits that nothing in the petition is of sufficient statute to warrant the time of this Court in a further review of this case.

Such cases have not been reviewed in the Court's discretion in the past, as it is not the function of certiorari procedure to grant a second level of review in ordinary patent cases, *Layne & Bowler Corp.* v. *Western Well Works,* 261 U. S. 387, 388, 433 S. Ct. 422, 67 L. Ed. 712; *Keller* v. *Adams-Campbell Co.,* 264 U. S. 314, 319, 44 S. Ct. 356, 68 L. Ed. 705. Moreover, there are no cogent or exceptional circumstances present in the instant case, such as conflicts among one or more Courts of Appeals, to justify use of this Court's valuable time. Neither does petitioner's muffled warning that an immediate authoritative decision by this Court will avoid a multiplicity of suits, avail him. *Bassick Mfg. Co.* v. *R. M. Hollingshead Co.,* 298 U. S. 425, 56 S. Ct. 787, 80 L. Ed. 1251.

The thrust of petitioner's argument is that the Court of Appeals has somehow abused and exceeded its scope of authority on review. Such contention is without foundation in fact and wholly without merit.

Petitioner's "Questions"

Petitioner presents three very much interrelated and "loaded" questions without accurately or clearly stating the action taken by the Court of Appeals (Petition pp. 3-4). With respect to purported Question I, the Court of Appeals did, in effect, set aside the key findings and did not "completely ignore all such findings". (Petition p. 6) On the contrary, the Court relied on many of the findings (Petition Appendix p. 3a). As to purported Question II, the Court of Appeals did apply the standards of *Graham* v. *Deere,* 383 U. S. 1 (1966) and made a detailed analysis of the patent and the prior art (Petition Appendix pp. 4a-5a). With respect to purported Question III, the Court of Appeals did not concede that the "patent involved a new combination," but always referred to the alleged new combination in quotes (Petition Appendix p. 5a).

The substance of petitioner's alleged three questions may be summarized in one "question", as follows: Whether in a patent infringement case, in which the Court of Appeals reversed the holdings of the District Court and finds invalidity "because the material in the patent in suit would be fully obvious to one skilled in the art familiar with Hoag" (the prior art), must the Appeals Court under Rule 52 (a) of the FRCP specifically discuss and enumerate all of the findings of the District Court with which it disagrees, give reasons therefor and make its own detailed findings?

We respectfully submit that the "question" itself points to the frivolousness and total lack of merit of the petition. To do what petitioner suggests would be so burdensome and time consuming that the purpose and function for which our appellate courts were established would cease to exist. Moreover, the answer to the "question" raised by the petitioner is so basic and elementary that we could find no opinion, or commentator or text writer that even discussed it.

Petitioner's "Statement of the Case"

As to the Statement of the Case we agree with petitioner that the purported issues before this Court do not require scientific or technical skills. We do, however, most vehemently disagree and completely refute petitioner's characterization of the Court of Appeals and so called "statement of facts". Frankly we are shocked, amazed and dismayed by the methods and language employed by the petitioner.

One of the most glaring misstatements made by petitioner is that the Court of Appeals "ignored" the District Court findings of fact. The text of the decision of the Court of Appeals clearly reveals that such court studied,

reviewed and understood the patent in suit, the prior art and the record as whole (Petition Appendix pp. 1a-5a). After analyzing and discussing the patent in suit, the prior art and the pertinent facts it concluded in clear, succinct and unambiguous language that the patent was obvious. In arriving at its decision, the Court of Appeals accepted most of the findings of the District Court, applied the criteria enunciated in the *Graham case* and concluded that the material in the patent would "be fully obvious to one skilled in the art." (Petition Appendix p. 5a).

Another glaring misstatement by petitioner at three different places in its brief (Petition pp. 4, 5 and 14) is that the patent in suit is "one of the dominant electronic power supply inventions in wide current use." There is not one iota of evidence to support this "fact." Similarly, the record will disclose that there were not 75 findings of fact as alleged by petitioner but 35 findings of fact. Out of these 35 findings of fact, the Court of Appeals did consider findings 11 and 17 which were directly and fundamentally related to the question of validity. As shown above, the Court of Appeals analyzed and discussed these findings in its text and came to a conclusion contrary to that of the District Court.

Discussion of Petitioner's "Questions"

"Question I" is based on the false premise that the Court of Appeals has "arbitrarily ignored" "the whole trial" and all of the District Court findings. Petitioner knows very well that to hold a patent invalid does not require an examination of, no less a reversal of, every or even most of the findings of the District Court.

The Court of Appeals did consider findings 11 and 17.

In finding 11, the District Court discussed in detail the prior patents of Hoag and Woll and concluded that "The invention of the patent was not anticipated" by this prior art. The Court of Appeals likewise fully discussed Hoag and Woll in relation to the patent (Petition Appendix pp. 3a-4a) and concluded that Hoag and the patent in suit were fully equivalent (p. 3a) and that "the Woll patent describes Holtje in every significant detail." (p. 4a)

As to finding 17, the District Court stated, in part, that "The Holtje power supply as claimed in the patent in suit was not anticipated in the prior art and the differences between the subject matter of the Holtje patent and the prior art are not such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which the subject matter of the Holtje patent pertains:—". There is some redundancy in findings 11 and 17, as in many other findings. The Circuit Court of Appeals considered the matter discussed in finding 17 with respect to Hoag and Woll (Petition Appendix pp. 3a-4a) and then went on further on page 5a to consider obviousness in relation to the *Graham* v. *Deere* case.

It was then the Court arrived at its conclusion that findings 11 and 17 were incorrect and found the patent invalid as it was obvious under 35 U.S.C. 103.

The four cases cited by Petitioner fail to support its contention that the Court of Appeals herein deviated from the standard used in reversing a District Court (Petition, p. 11). In none of the cases cited were the words "clearly erroneous" used to upset a lower court finding of fact. Certainly, this Court of Appeals did make clear in precise language the basis on which it set aside the crucial and determinative findings 11 and 17.

Furthermore, in the instant case, the Court of Appeals was not required to determine whether the lower courts' findings were "clearly erroneous". The essential evidence herein is documentary or undisputed. Clearly, therefore, the Court of Appeals may interpret such evidence differently from the District Court, which it did in this case. The credibility of witnesses, demeanor an demonstrative evidence were not at issue. *Deep Welding Co.* v. *Sciaky Bros.*, 417 F. 2d 1227 (7th Cir. 1969) cert. den. 397 US 1037.

Judge Frank, in *Wabash Corp.* v. *Ross Electric Corp.*, 187 F 2d 577 (CA 2, 1951), cert. denied 342 U. S. 829 in analyzing this well accepted principle said (p. 603):

> "In many patent suits, however, the oral testimony of the experts adds nothing of substance to the undisputed non-oral evidence, or is so much at variance with that evidence as to be unworthy of credit, or has an expository value not dependent on an estimate of credibility. In order to understand the case, it may be necessary (as in many suits not relating to patents) to study carefully an intricate art or science, and the exposition by some of the expert witnesses may be most helpful in that respect; yet a reading of the printed record of that testimony in such a suit will often be as helpful as—perhaps more helpful than—listening to an oral statement of the same effect (for most men are eye-minded rather than ear-minded). In any such suit, the upper court is as well able to ascertain the facts as the trial judge, since there are no essential "testimonial" inferences to be drawn from oral testimony; consequently any finding he makes does not bind the upper court; and therefore a finding by the trial judge does not constitute a necessary

> prelude to the upper court's decision of validity or invalidity (or infringement or non-infringement)."

"Question II" is based on the false premise that the Court of Appeals, failing to follow the instructions given by the decision in the Graham case made no "inquiries into the obviousness of the subject matter". (Petition p. 8) A reading of the opinion refutes this. In accordance with Section 103, the Court of Appeals examined "the scope and content of the prior art" (Petition Appendix pp. 3a-4a), found no difference between the prior art and the patent ("the Woll patent describes Holtje in every significant detail" [Petition Appendix p. 4a]), and accepted the "level of ordinary skill in the pertinent art resolved" as set forth by the District Court. After this analysis, the Court of Appeals found "obviousness".

"Question III" is based on the false premise that the Court of Appeals based its decision on the A&P case. *Great Atlantic and Pacific Tea Co.* v. *Supermarket Equipment Corp.*, 340 U. S. 147 (1950). The Court of Appeals tested the patent against the standards of the *Graham* case, not the A&P case, and concluded that the Holtje patent was of a type found anticipated by the prior art in that case, holding that "The patent in suit is invalid in view of the teachings in the patent to Hoag, for any material in the patent in suit would be fully obvious to one skilled in the art familiar with Hoag and thus falls within the provisions of 35 U.S.C. 103." (Petition Appendix p. 5a) Reference to the A&P case at this point was made purely to point out the difficulty of finding invention in an assembly of old elements, and that the patent could not meet the A&P case standards either.

Conclusion

Since the premises on which "Questions I, II and III" are based are false and unsupported by the record, there are no valid and substantial questions before this Court and the petition is without merit.

1. This is not a case of importance either in the patent field or to the public or a whole.

2. The findings of fact of the District Court were not ignored by the Court of Appeals, and the Court of Appeals did not evade the requirement of Rule 52 (a) of FRCP in its reversal.

3. The Court of Appeals applied the standards set by the *Graham* v. *Deere* case.

4. Petitioner was not deprived of its right to trial.

The petition should be denied.

Respectfully submitted,

JOSEPH R. MCPHEE, JR.,
Attorney for Respondent-Defendant.

Of Counsel:

ANDREW PERL.